LFAs were manufactured by Westinghouse Electric Company and contain a limited number of fuel rods clad with advanced zirconium-based alloys. The other two LFAs were manufactured by Framatome ANP, Inc. with fuel rod cladding material as M5 alloy. These LFAs were originally inserted into the Calvert Cliffs 2 core in April of 2003 (operating cycles 15 and 16).

The proposed action is in accordance with the licensee's application dated January 19, 2006.

The Need for the Proposed Action

10 CFR 50.46 and 10 CFR part 50, Appendix K make no provisions for use of fuel rods clad in a material other than Zircaloy or ZIRLO. Since the material specifications of the advanced zirconium-based and M5 alloys differ from the specification for Zircaloy or ZIRLO, a plant-specific exemption is required to support the use of the four LFAs for either Calvert Cliffs 1 or 2. If the exemption were not approved, the licensee would not gain practical experience of these designs relative to grid-to-rod fretting.

Environmental Impacts of the Proposed Action

The NRC has completed its safety evaluation of the proposed action and concludes that the exemption described above would continue to satisfy the underlying purpose of 10 CFR 50.46 and 10 CFR Part 50, Appendix K and will not present an undue risk to the public health and safety. The safety evaluations performed by Westinghouse and Framatome ANP demonstrate that the predicted chemical, mechanical, and material performance of the advanced zirconium and M5 cladding are acceptable under all anticipated operational occurrences and postulated accidents. Furthermore, the LFAs will be placed in non-limiting core locations (low duty locations on the core periphery). In the event that the cladding failures occur in the LFAs, the environmental impact would be minimal and is bound by the previous environmental assessments.

The details of the staff's safety evaluation will be provided in the exemption that will be issued as part of the letter to the licensee approving the exemption to the regulation.

The proposed action will not significantly increase the probability or consequences of accidents. No changes are being made in the types of effluents that may be released off site, and there is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does not have a potential to affect any historic sites. It does not affect nonradiological plant effluents and has no other environmental impact. Therefore, there are no significant nonradiological environmental impacts associated with the proposed action.

Accordingly, the NRC concludes that there are no significant environmental impacts associated with the proposed action.

Environmental Impacts of the Alternatives to the Proposed Action

As an alternative to the proposed action, the staff considered denial of the proposed action (*i.e.*, the ''no-action'' alternative). Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

The action does not involve the use of any different resources than those previously considered in the Final Environmental Statement for Calvert Cliffs 1 and 2, dated April 1973, and the Generic Environmental Impact Statement for License Renewal of Nuclear Plants, Calvert Cliffs Nuclear Power Plant (NUREG–1437, Supplement 1), dated October 1999.

Agencies and Persons Consulted

In accordance with its stated policy, on October 27, 2006, the staff consulted with the Maryland State official, Mr. R. McLean of the Maryland Department of Natural Resources, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

On the basis of the environmental assessment, the NRC concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the NRC has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated January 19, 2006. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, *http://www.nrc.gov/reading-rm/adams.html*. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1–800–397–4209 or 301–415–4737, or send an e-mail to *pdr@nrc.gov*.

Dated at Rockville, Maryland, this 30th day of October 2006.

For the Nuclear Regulatory Commission.

Patrick D. Milano,

Senior Project Manager, Plant Licensing Branch I–1, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

[FR Doc. E6–18594 Filed 11–2–06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension: Rule 15a–5; SEC File No. 270–527; OMB Control No. 3235–0587.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget (''OMB'') a request for extension of the previously approved collections of information discussed below.

Section 15(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–15(a)) (the ''Investment Company Act'' or ''Act'') prohibits any person from serving as an investment adviser (or a subadviser) to a fund except under a written contract that the fund's shareholders have approved. The Commission has granted exemptive relief, by order, to a number of registered open-end management investment companies (''funds'') whose investment advisers do not directly manage a portfolio of securities, but instead supervise one or more subadvisers, which are themselves responsible for the day-to-day management of the funds' portfolios (''manager of managers funds'').[1]

[1] In this notice, we use the term ''subadviser'' to mean a party that contracts with a fund's principal

Sponsors have analogized subadvisers in a manager of managers arrangement to portfolio managers employed by a fund adviser who may be hired and fired without the consent of shareholders.

Proposed Rule 15a–5 (17 CFR 270.15a–5) and amendments to Form N–1A (17 CFR 239.15A, 17 CFR 274.11A) together would codify the orders we have issued for manager of managers funds, including many of their conditions, allowing any fund that satisfies the conditions to enter into or materially amend a subadvisory contract without shareholder approval. To provide for the protection of fund shareholders, a fund that relied on the proposed rule would have to satisfy a number of conditions, some of which would result in information collection requirements.

For example, any fund that relied on the proposed rule would have to include certain provisions in all its advisory and subadvisory contracts. Specifically, all the fund's subadvisory contracts for which shareholder approval is not sought would have to provide the principal adviser with the authority to terminate the subadvisory contract at any time, on no more than 60 days written notice, without payment of penalty.[2] In addition, the advisory contract between each principal adviser and the fund would have to require that the principal adviser supervise the activities of its subadvisers. These provisions are intended to ensure that only manager of managers funds (in which subadvisers resemble and perform the duties of a portfolio manager in a typical fund) are eligible for relief under the proposed rule and to allow the principal adviser to carry out its principal duties to the fund, the selection and monitoring of subadvisers, in an efficient manner.

During the first year after adoption of the rule, Commission staff estimates that each fund relying on the rule would incur an initial one-time burden to modify its existing contract with the principal adviser to require the principal adviser to supervise the activities of its subadvisers. Staff estimates this burden would be 5 hours per fund (4 hours by in-house counsel, 0.5 hours by fund directors, 0.5 hours by support staff).[3] Commission staff estimates that 149 funds would have to modify their advisory contracts with their principal advisers to comply with the proposed rule, which would result in an estimated total of 745 burden hours and 149 responses.[4]

Commission staff estimates that after the first year, approximately 10 funds[5] would spend, on average, 5 hours annually (4 hours by in-house counsel, 0.5 hours by fund directors, 0.5 hours by support staff) to modify their advisory contracts with their principal advisers to comply with the proposed rule. Thus, the Commission estimates these modifications would result in a total of 50 burden hours and 10 responses.

The proposed rule also would require funds to provide shareholders (and file with the Commission) an information statement within 90 days after entry into the subadvisory contract or after making a material change to a wholly-owned subsidiary's existing subadvisory contract. The information statement must describe the agreement and contain all of the information that shareholders would have received in a proxy statement had a shareholder vote been held. This information collection is needed to ensure that shareholders are aware of the identity of the subadvisers that would be making investment decisions for the fund and the terms of each subadvisory contract.

During the first 3 years after adoption of the proposed rule, Commission staff estimates that 179 funds[6] would each spend 20 hours[7] annually in preparing and distributing information statements. The total annual estimate for complying with the third party disclosure requirement of 15a–5 would be 3580 burden hours and 358 responses.

To arrive at the total information collection burden, staff has calculated a weighted average of the first year burden and the annual burden thereafter. Using a three-year period, the estimated weighted annual average information collection burden is 3862 hours[8] and 414 responses.[9]

The collections of information required by proposed 15a–5 would be voluntary because 15a–5 is an exemptive rule and, therefore, funds may choose not to rely on the proposed rule. The filings with the Commission required under the proposed rule would be available to the public. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

General comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or e-mail to: *David_Rostker@omb.eop.gov*; and (ii) R. Corey Booth, Director/Chief Information Officer, Securities and Exchange Commission, C/O Shirley Martinson, 6432 General Green Way, Alexandria, Virginia 22312, or send an e-mail to: *PRA_Mailbox@sec.gov*. Comments must be submitted to OMB within 30 days of this notice.

Dated: October 30, 2006.

Nancy M. Morris,

Secretary.

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adviser to provide investment advisory services to the fund, and the term ''principal adviser'' to mean a party that contracts directly with a fund to provide investment advisory services to the fund.

[2] Most subadvisory contracts already contain terms that allow the principal adviser to terminate the contract at any time. We therefore estimate there would be no burden hours or costs imposed on funds by this requirement.

[3] These estimates are based on discussions with fund representatives.

[4] These 149 funds include 125 funds that currently rely on exemptive orders, 14 funds that have filed an application for an exemptive order and, as explained infra note 5, 10 additional funds that we estimate would choose to rely on the proposed rule during the first year.

[5] Based on the number of manager of managers applications submitted since 1995, the staff estimates that 20 additional funds would seek to rely on the proposed rule each year. Approximately 10 of those funds would be funds whose securities have already been publicly offered, and therefore would need to modify their advisory contracts with principal advisers. We estimate that the 10 new funds that would rely on the proposed rule would incur no additional burden or costs to include this provision in the initial advisory contract.

[6] Commission staff estimates that 159 funds (including 125 funds that currently rely on exemptive orders, 14 funds that have filed an application for an exemptive order, and 20 additional funds that would have filed for exemptive relief during the first year after the rule's adoption) would rely on the proposed rule during the first year after its adoption. After the first year, the staff estimates that each year 20 additional funds would rely on the proposed rule.

[7] Based on discussions with fund representatives, the Commission estimates that on average each fund would hire 2 new subadvisers per year. Therefore, funds would be required to send to shareholders 2 information statements per year. Based on discussions with fund representatives, the Commission estimates that each fund would spend 10 hours to prepare and mail each information statement.

[8] This estimate is based on the following calculation: (4325 hours (year 1) + 3630 hours (year 2) + 3630 hours (year 3)) ÷ 3 = 3861.6 hours.

[9] This estimate is based on the following calculation: (507 responses (year 1) + 368 responses (year 2) + 368 responses (year 3)) ÷3 = 414.3 responses.